The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor occurring in the industrial, legislative, and judicial fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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Holiday Greetings

WHOLE NO. 1916 WILLIAM GREEN, President WASHINGTON, D. C., TUESDAY, DECEMBER 30, 1947 GEORGE MEANY, Secretary-Treasurer VOL. 37, NO. 52

OUTLOOK FOR 1948

By WILLIAM GREEN
President, American Federation of Labor

Labor hopes in 1948 to lay the groundwork for the establishment of real prosperity, lasting peace, and continuing progress in our time.

Our chief task in 1948 will be to oust the present stand-pat Congress and elect a new one which will be more responsive to the needs of the American people.

It appears likely, from present conditions, that employment will continue at a high level next year. This will be the best insurance against any possible recession setting in. With a peak demand for the products of farm and factory certain, and with shortages of many commodities unslaked, labor, industry, and the farmers will be faced with responsibility for reaching new production records. The needs of the American people and our commitments for foreign relief, make increased production an inescapable duty.

Inflation constitutes the chief threat to the progress of the American people in 1948. The price situation is rapidly getting out of hand. Wages, as usual, are losing ground in the race against runaway inflation.

It seems inevitable that some form of government regulation of the price of items which enter into the cost of living—especially food, clothing, and rent—will have to be instituted in 1948 to keep inflation within bounds. The American Federation of Labor does not relish the return of price controls, selective or otherwise. We would prefer a free economy in which competition would keep prices down to reasonable levels. But unless the present economic crisis takes an immediate turn for the better it will be necessary for the protection of the consuming public and for the preservation of the free enterprise system itself, to clamp government brakes on the uncontrolled price spiral.

Labor is ready to undertake its responsibility toward increasing production. To attain this goal we are more than willing to meet management half-way. But we fear that any attempt to bring about intelligent, constructive, and decent labor-management cooperation, will be handicapped by the Taft-Hartley Act.

That infamous law serves to encourage only those who wish to fight labor instead of cooperating with it. It serves to promote industrial warfare rather than labor peace. Already its provisions have contributed to a breakdown of long-standing peaceful labor-management relations in important industries. I fear even worse consequences in 1948.

I know that many casual observers are beginning to think that maybe the Taft-Hartley Act has been a success because there are fewer strikes in progress at this time than at similar periods in past years. However, they do not realize that a large number of unions signed new contracts just before the Taft-Hartley Act went into effect and these contracts are exempt from the law's provisions. The blow-off will come at the expiration of these contracts in 1948.

At that time many unions and employers who have been getting along well together will discover that they cannot continue their long-standing contractual relationships on the same basis because of the Taft-Hartley law. The results may be chaotic unless industry as a whole resolves not to take advantage of the special benefits conferred upon it by the Taft-Hartley Act and proceeds to accord fair treatment to the nation's workers and the unions which represent them.

Organized labor does not relish the prospect of having to depend upon the largesse of big business to protect economic and working standards which were won after hard years of struggle. We cannot tolerate the oppressive conditions imposed upon us by the Taft-Hartley Act indefinitely.

That is why we are now organizing to get out the vote for the national elections of 1948. The American Federation of Labor has formed Labor's Educational and Political League for this purpose.

It is our hope and determination that the members of organized labor and their families and friends will respond to our pleas and go to the polls next November in full force. If we can succeed in this endeavor we are certain of electing a new Congress which will repeal the Taft-Hartley Act and which will enact a program of progressive economic and social legislation necessary for the nation's welfare.

In this category the American Federation of Labor includes an effective housing law, improvement and expansion of the Social Security system, lifting of the minimum wage standard to at least 75c an hour, and the inauguration of federal insurance against the costs of medical care.

In our opinion the people of the United States have not yet begun to realize the full advantages that modern production miracles and the free American way of life can confer upon them. They will never enjoy these advantages under a repressive government which looks only to the past. We can achieve the promise of the future only through leadership which looks to the future and sees that promise as a boon not only for those who possess great wealth but for all people of our country.

TAFT-HARTLEY LAW EXPOSED!

By J. ALBERT WOLL and HERBERT S. THATCHER

This is the seventh of a series of articles to be published by the AFL Weekly News Service in refutation of an article appearing in the Saturday Evening Post which praised the Taft-Hartley law to the skies. Author of the Post article was J. Mack Swigert, law partner of Senator Robert A. Taft—enough said.

NO. 7—THE "SO-CALLED 14 PRIVILEGES" OF THE TAFT-HARTLEY LAW—(Continued)

11. "A Look at the Books"

The article rejoices in the fact that "For the first time in history, unions are required by federal law to supply . . . their own members with detailed information about union finances." The article neglects to state that for many, many years the constitutions and by-laws of over 95 percent of existing labor organizations have required periodic financial statements to be submitted to the membership, and that almost all International Unions and the American Federation of Labor itself submits such information in the form of printed statements set forth in official publications.

Here again, we see a privilege which has already been realized by union members throughout the country. If there are any organizations which do not make such disclosures, certainly the American Federation of Labor has no objections to a law requiring the filing of financial statements, but the danger inherent in any such requirement as a condition of operation is that the requirement might easily be converted into a licensing requirement. This would mean that labor organizations could exist only at the pleasure of the state or other governmental body issuing the license.

The trade union movement in its day-to-day operation involves the exercise of the civil liberties of assembly and speech, liberties which the Supreme Court has constantly reiterated can be freely enjoyed without a license from government.

12. "Exemption from Personal Liability"

The "Post" article plays up the fact that under the provision making unions liable for breaches of contract, individual members are exempt from personal liability for damages arising because of such breach. Damages can be levied against the union treasury only. While this is a benefit which possibly may not have existed before (although even this is doubtful, since the new Rules of Federal Procedure made effective long prior to the Taft-Hartley Act permitted suits against labor organizations as entities), the article neglects to state the implications of the section of the act which makes it extremely easy to sue unions in the federal courts for breaches of contract.

Congress has thereby directly encouraged resort to the courts rather than resort to the bargaining table as a means for settling differences arising over the interpretation or the application or the enforcement of existing agreements. This encouragement fails to recognize that collective bargaining agreements differ greatly from the ordinary commercial agreement not only because of the human relationships involved in the former but because of the fact that both parties to the collective agreement must continue to live together regardless of who may win out in any lawsuit. It is for this reason that breaches or claimed breaches of union agreements are far better disposed of at the bargaining table than in a court of law.

It is not difficult to imagine the repercussions upon our economy if unions choose to invoke this provision in the settlement of their claimed grievances, because each and every claimed grievance involves a breach of contract under which the union would be entitled to sue.

Further, the article does not mention how union treasuries may be depleted under another section of the act which enlarges the definition of "agency" to make the union liable for the acts of alleged agents even though such acts were neither authorized nor ratified by the union.

Any democratic union necessarily has many so-called "agents," such as committee chairmen, stewards, trustees and others of lesser stature than elected officers. Yet, if any of these agents participate in a wild-cat strike or breach of contract, the entire assets of the union might be taken in payment of damages for such action. These provisions are all the more reprehensible in view of the fact that, while unions may be subjected to law suits for wild-cat strikes, they are prevented from disciplining members engaging in wild-cat strikes through invocation of the union-shop clause against them.

This enlargement of the definition of "agency" is directly contrary to the policy of Congress under the Norris-LaGuardia Act whereunder specific proof was required that alleged acts were actually authorized or ratified before the union could be held liable.

NLRB Gives Craft Union Opportunity To Establish Separate Bargaining Unit

Washngton, D. C.—The AFL's Pattern Makers League won the right to establish separate collective bargaining units in plants n which CIO industrial type unions have held exclusive bargaining rights for all workers.

The National Labor Relations Board, acting under a provision of the Taft-Hartley law, rendered two decisions in favor of the union which will enable it to free itself from the domination of the larger CIO.

The case involved the Harnischfeger Corporation, Milwaukee, where the CIO United Steelworkers has been the bargaining agent, and the Westinghouse Electric Corporation's Cleveland plant, where the CIO Electrical Workers has been the agent.

The NLRB ordered elections to determine whether the pattern makers and apprentices in the plants wished to be represented by the craft union. The CIO unions were excluded from the ballot in both cases because they have not filed non-Communist affidavits required by the Taft-Hartley law, but this exclusion brought the major significance of the two decisions.

The decisions represented the first use of the Taft-Hartley proviso that the board shall not "decide that any craft unit is inappropriate . . . on the ground that a different unit has been established by a prior board determination, unless a majority of the employes in the proposed craft unit vote against a separate representation."

George Q. Lynch, president of the pattern makers, said he had pending before the board 15 more cases of a similar nature and that decisions in them probably would be issued promptly now that a precedent has been determined. The pattern makers' group numerically is one of the smallest of the AFL affiliates but the members are a highly skilled, well organized craft group.

The board's decision recognized the pattern makers' craft distinction and added that "under these circumstances, we believe that the pattern makers involved in this proceeding also may, if they so desire, constitute a separate unit, notwithstanding the board's previous more inclusive unit determination."

Factory Employment Safer In 1947; 126,400 Workers Injured In 3 Months

Washington, D. C.—Work injuries in manufacturing were more numerous during the third quarter of 1947 than in the preceding three-month period. In comparison with 1946, however, the injury frequency-rate record for the first 9 months of 1947 showed a substantial improvement, the Bureau of Labor Statistics, U. S. Department of Labor, reported.

It is estimated that approximately 126,400 manufacturing workers were disabled for one or more days as a result of work injuries during the third quarter of 1947. About 500 of these injuries resulted in death and about 5,300 others were known to have resulted in permanent physical impairments at the time the reports for the quarter were prepared.

Working time lost by the injured persons during the quarter is estimated at about 2,528,000 man-days, representing a value in wages alone of over $20,200,000. This, however, represents only a portion of the total cost which will accrue from these injuries. It includes no allowance for the economic losses arising from the many deaths and permanent impairments.

The estimate of 122,400 disabling injuries is 3,400 above the estimated total for the second quarter of 1947. More favorably, however, it is 2,400 less than the corresponding estimate for the third quarter of 1946.

The best third-quarter injury frequency rate for any of the listed industry classifications was 0.9 for the synthetic rubber industry. Other outstanding good rates included: 2.7 for the electric lamp (bulbs) industry; 3.2 for the synthetic textile fiber industry; 3.9 for the women's and children's clothing industry; and 4.0 for the explosives industry. In contrast, the rates for sawmills, planing mills, wooden container plants, plywood mills, and iron foundries were all above 40.

New Federal Conciliation Service Swamped With Labor Dispute Notices

Washington, D. C.—Notices of labor disputes being filed with the Federal Mediation and Conciliation Service are nearly 3 times more numerous than the number of notices received last year under the old War Labor Disputes Act.

This was revealed by Cyrus S. Ching, director of the Federal service, in an announcement that the agency would cease to acknowledge receipt of "30 day dispute notices" filed as required by the Taft-Hartley law. The practice of notifying the other party that a notice of a dispute has been received will also be discontinued, Ching said.

The act obligates an employer or union seeking to modify or terminate a contract to give a 60-day notice to the other party prior to the expiration date of the agreement. In addition, another notice to the Federal Mediation and Conciliation Service and the appropriate State or Territorial agency must be filed if the dispute has not been settled within 30 days thereafter. It has been the policy of the Federal Mediation and Conciliation Service to acknowledge receipt of all such dispute notices and to advise the other party involved that such a notice had been filed. However, it has been determined that the continuance of the practice is administratively impracticable.

Mr. Ching said that copies of such notices will continue to be furnished regional directors of the service for final disposition.

National and Foreign Welfare Agencies Praise Support Given By AFL Members

New York City.—Representatives of 3 welfare agencies engaged in providing aid and assistance to less fortunate individuals in this nation and abroad joined in praise of the activities of the American Federation of Labor and its 8 million members who have assisted them in their efforts.

Speaking on the AFL radio program, "Labor—USA," were Thomas Keogh, secretary of CARE; Lee Marshall, national chairman for American Overseas Aid-United Nations Appeal for Children, and Ralph Blanchard, executive director of the Community Chests and Councils, Inc.

Mr. Keogh told of the activities of his organization which has handled the shipment of bundles of food and clothing to 3½ million families in Europe. He said:

"I deeply appreciate this opportunity to congratulate the American Federation of Labor on its splendid program to send CARE food and other packages to the Free Trade Union Movements in Europe. During the past year the AFL, through its internationals, through its local unions and through individual members has sent more than a half million dollars worth of these packages to fellow unionists abroad. AFL packages have been sent to Poland, Italy, Austria, Greece, France, Germany, and other countries. That is a record of which AFL members can well be proud."

Mr. Marshall outlined plans for the coming February campaign to raise funds for the aid of needy children left homeless and orphaned by the ravages of war. He expressed his thanks for the magnificent assistance rendered by the AFL and its members during the war for relief purposes and voiced the opinion that continued support will be forthcoming in the future. He said:

"The AFL, in its endorsement of the Marshall Plan, realizes that governmental relief is not enough. You are determined to show the world that an American believes so intensely in democracy that your membership wishes to give of their own personal funds for help and relief."

Mr. Blanchard, speaking for the Community Chests and Councils, gratefully acknowledged the splendid cooperation and assistance rendered by members of organized labor at local and national levels to make the 1947 local community chest drives an outstanding success which will extend the spirit of Christmas throughout 1948. He declared:

"This success of the 1947 campaigns is due to the fact that you, and your fellow Americans from labor, management, and the professions, made of your Community Chests everywhere a fine instrument of true democracy, voluntarily supported. People got together and worked and gave, not only in their home towns for their local Community Chests, but through their national leadership.

"The intelligent cooperation of the AFL leadership is a case in point. It has a history of which you can all be proud. The gains achieved by your Labor League for Human Rights during the war period are being strengthened in peacetime. More and more trade union members are being developed for positions of responsibility in their local Community Chests and Councils of Social Agencies."

Truman Signs Inflation Bill; Protests Over 'Insufficiency'

Declares Bill Will Not Curb Inflation Or Reduce Prices

Washington, D. C.—President Truman branded the anti-inflation bill passed by Congress as "feeble steps toward the control of inflation," but signed the measure because it contained some provisions "that are needed now."

Protesting against the "obvious insufficiency" of the legislation, Mr. Truman declared the bill is "pitifully inadequate as a weapon against the high cost of living." He said:

"This bill will not reduce the high cost of living and it will not keep prices from going even higher.

"The meager authority contained in the bill will be utilized to the fullest extent by the Government, but the public must not be misled into believing that this bill will do the job."

The President, warning that inflation and the high cost of living confront the American people with a "grave danger," called upon Congress to enact "an effective, workable program" when it reconvenes. Mr. Truman declared:

"Unchecked inflation can bring on a serious depression that can cause untold hardship.

"The legislative and executive branches of the Government must work together if this grave peril is to be conquered.

"The American people look to the Congress to pass legislation adequate to perform this all-important task."

The measure passed by Congress contains only 3 steps of the original 10-point program requested by the President when he called the special session of Congress to consider the problems of foreign aid and inflation at home.

These provisions are: Extension of export controls, continuance of authority to allocate transportation facilities, and authorization for expansion of the conservation program and measures designed to stimulate food production in foreign countries.

The bill which the President said he would sign does not include the authority he sought to regulate consumer and business credit, to control the distribution of scarce commodities, to extend and strengthen rent control, and to use rationing and price control over "selective" segments of the economy.

The heart of the measure is a provision encouraging industry, business and agriculture to enter into voluntary agreements with the government, under anti-trust immunity, for the sharing of scarce commodities.

President Truman said it was "far too late" to rely on such voluntary means. He said he and other government officials have tried to persuade industry to make voluntary price reductions but that these efforts "have been wholly insufficient to stem the tide of rising prices."

He also noted that the government has used voluntary programs to try to encourage conservation. But, he admitted, "they have demonstrated that voluntary measures are not sufficient to insure a fair sharing and the most effective use of vital commodities which are critically scarce."

The bill's voluntary provision, he complained, gives the government no authority to protect the interests of the people or force into line any industry representative who refuses to make an agreement.

To emphasize the need for immediate strong action to curb inflation, Mr. Truman cited examples of price increases which have occurred in the 6 weeks since he made his request to Congress.

AFL RADIO PROGRAM SHIFTS TO NEW TIME

Washington, D. C.—Commencing January 4, the American Federation of Labor shifts its radio activities to a new program entitled "America United," a half-hour round-table discussion of pertinent and timely topics of interest to labor and the nation.

The program, originating from Washington, will be heard from 1-1:30 p.m. each Sunday over the nationwide network of the National Broadcasting Company. Consult your local newspapers for the exact time of the broadcast in your community.

The topic for the January 4 broadcast is "What Should Congress Do in 1948?" Participants in the discussion will include Senator Joseph C. O'Mahoney, Fred Bailey, representing the National Grange, Don Young of the U. S. Chamber of Commerce, and Philip Pearl, the AFL's director of publicity.

Small Businessman Hits At High Price Policy Pursued By Industrial Giants

Philadelphia.—The voice of a small businessman here was raised in protest against the high price policy of the nation's industrial giants.

Benjamin Foster, president of a paint manufacturing company, in a letter to big business executives whose companies supply him with raw materials cited the almost continuous rise in prices and declared:

"If there was ever an opportunity for big business to step in and stop this vicious cycle, we think this is it."

Foster questioned the executives on their announced intentions to hold any price increases to a minimum. He said:

"You have notified us that prices are going up because of increased labor, material and freight costs. You tell us almost without exception that you are reluctant to raise prices and the increase will be held to a minimum. Do you mean it?"

An itemized list of increases that affect his paint business were cited by Mr. Foster. These included asphalt, up 25 percent for the "largest one-time increase in our 20-year experience"; asbestos, up 25 percent, also "the largest one-time increase"; cans, up 10 percent; oils, up 11 percent since August 1; glycerine, up 34 percent since August 1, and pthalic anhydride, up 20 percent since August 1.

He further pointed out that by the time these increases reach the consumer the amount of the increase is double "sometimes triple what it was at the big business level."

WHOLESALE PRICES UP 2% IN 4-WEEK PERIOD

Washington, D. C.—Wholesale prices for the week ending December 20 stood at a level 2.1 percent higher than prices in effect just 4 weeks earlier, the Bureau of Labor Statistics reported.

Noting a rise for the week of .7 percent, the BLS said its wholesale price index advanced to 162.5 percent of the 1926 average, 16.2 percent above a year ago, and less than 3 percent below the all-time high set in May 1920.

Prices of commodities other than foods and farm products led the advance for the week with a gain of 1.3 percent, the BLS report said.

BLS Consumers' Price Index Reached Another All-Time High In November

Washington, D. C.—The Bureau of Labor Statistics sketched another chapter in its series of reports on the rising cost of living with the release of preliminary figures for the month of November.

They told the same old story.

Moderate-income families residing in the nation's large cities paid almost 1 percent more for goods and services which they purchased on November 15th than for the same goods and services bought a month earlier, the BLS declared.

The consumers' price index for November 1947 was estimated at about 165 percent of the 1935-39 average, a new all-time high. The index was more than 8 percent higher than a year ago, about 24 percent above mid-June 1946, and 67 percent above August 1939.

Prices advanced in November for all major groups of items. Preliminary estimates show that average retail prices of fuels were up nearly 1½ percent; apparel, house furnishings, and miscellaneous goods and services increased somewhat less than 1 percent. Rents were fractionally higher.

Following last month's decline, food prices rose more than ½ percent between mid-October and mid-November. According to preliminary figures, the food index for mid-November is estimated at approximately 203 percent of the 1935-39 average, slightly below the peak reached in September 1947, and 39 percent above the mid-June 1946 level. Sharp increases in prices of cereal and bakery products, dairy products, and fats and oils contributed to the mid-November increase. Higher prices were also reported for fruits and vegetables, coffee, and sugar. Meat prices declined seasonally.

Over 12 Million War Veterans Employed; Represents Gain of 1½ Million In 1947

Washington, D. C.—Employment of World War II veterans increased by more than 1,500,000 during 1947, the Veterans Employment Service announced.

In a year-end statement Perry Faulkner, chief of the service, said that estimates revealed that 12,250,000 veterans were employed as compared with 10,500,000 at work on the first of the year. He said:

"The records show that the nation's employers and the public employment service kept close to schedule in the national program which called for finding employment promptly for job-seeking veterans as they left the armed forces.

"A study of veterans employment figures," Mr. Faulkner stated, "shows that about nine out of ten veterans are now gainfully employed. However, the nation still has before it the task of finding jobs for slightly more than half a million unemployed veterans, and for more than a million veterans who are currently in schools and colleges. In addition, jobs will need to be provided for several hundred thousand veterans who have not yet entered the labor market after discharge.

"I feel the nation has a special obligation to the veterans who are now preparing themselves for useful employment in schools and colleges and in various training establishments. A great deal of money is being expended on their education and training. As they complete their courses, the public employment service and the nation's employers must be on the alert to provide them with suitable jobs and the opportunity not only to get ahead in their chosen fields but also to make a maximum contribution to the welfare of the nation.

"Year-round programs must also be carried on vigorously to aid disabled veterans seeking employment. At the present time there are about 90,000 handicapped unemployed veterans registered for jobs with the public employment service. While the number of unemployed handicapped veterans is only about half as large as it was a year ago, 90,000 unemployed handicapped veterans still represents a sizeable group for whom special job assistance efforts must be made."

FORMER ILGWU OFFICER GIVEN JAIL SENTENCE

New York City.—A former financial officer of the International Ladies Garment Workers Union in Toronto, Canada, convicted of embezzlement of union funds, received a sentence of one year in jail, the general office of the union disclosed.

The official, Abraham Weingarten, was specifically charged with misappropriation during 1945 of more than $3,000 of war relief funds and of servicemen's dues remitted by the union in accordance with a general ILGWU policy during the war years. He was ousted from his post, which he had held for over 10 years, immediately upon discovery of missing union funds by ILGWU auditors in September 1945.

David Dubinsky, president of the ILGWU, in a comment on the court sentence declared that it is inevitable that a "blacksheep" will occasionally be found in an organization as large as the union. He asserted, however, that it is union policy to maintain a close scrutiny of its affairs so that any offender against union members may be swiftly detected and brought to justice.

FHA MORTGAGE SEEKERS SET RECORD IN NOVEMBER

Washington, D. C.—Field offices of the Federal Housing Administration received a record number of mortgage insurance applications in November, Commissioner Franklin D. Richards reported.

November applications covered 76,794 dwelling units, according to preliminary reports. This is more than 14,000 above the previous record of 62,299 units established in June 1947.

New construction applications accounted for 65,166 units, which is just under 85 percent of the total number. This also is an all-time record, exceeding by nearly 16,500 the previous new construction record of 48,684 units established last June.

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AMERICAN FEDERATION OF LABOR
WEEKLY NEWS SERVICE
SUPPLEMENT

LABOR'S GOAL! To Repeal Taft-Hartley Law

WILLIAM GREEN, President — WASHINGTON, D. C., FRIDAY, JANUARY 2, 1948 — GEORGE MEANY, Secretary-Treasurer

TAFT-HARTLEY LAW EXPOSED!

By J. ALBERT WOLL and HERBERT S. THATCHER

(Members of the law firm of Padway, Woll, Thatcher, Glenn and Wilson, serving as general counsel for the American Federation of Labor)

This is the eighth of a series of articles to be published by the AFL Weekly News Service in refutation of an article appearing in the Saturday Evening Post which praised the Taft-Hartley law to the skies. Author of the Post article was J. Mack Swigert, law partner of Senator Robert A. Taft—enough said.

NO. 8—THE "SO-CALLED 14 PRIVILEGES" OF THE TAFT-HARTLEY LAW—(Continued)

13. "Escape from Forced Political Contributions

The thirteenth "privilege" which has descended upon workers under the Taft-Hartley Act is the privilege of not being able to use the funds of their union, even though they so desire, for the purpose of disseminating information regarding the voting records and qualifications of federal political candidates.

The framers of the Taft-Hartley Act, not content with reversing the philosophy underlying the Wagner Act, have attempted to perpetuate their new order by making it difficult, if not impossible, for organized labor to seek to defeat them at the polls and to install in their places legislators equipped with better understanding of the nature of our economy and the functions of trade unionism in that economy. The act makes it unlawful for labor unions to make any "expenditure" on behalf of or against any political candidate, and the sponsor of this provision explained that it was intended to muzzle the union press, in so far as it was used to seek the election of labor's friends and the defeat of its enemies.

While it is true that corporations are also prohibited from making political expenditures, there are no such restrictions upon political expenditures by employer associations such as local or national chambers of commerce, the National Association of Manufacturers, Liberty Leagues, etc. Further, it is one thing to prohibit a corporation operating for private profit from making a political expenditure, and another to deny such privilege to labor organizations which are nonprofit voluntary associations of working people, one of whose prime purposes, unlike corporations, is the securing of legislation beneficial to the working people of this country.

Organized labor was primarily responsible for such constructive legislation as child labor laws, minimum wage and maximum hour laws, workmen's compensation acts, social security laws and the like. While individuals are permitted to make political expenditures under the act, it is obvious that employers are able to utilize this privilege much more effectively than individual workers whose income is greatly more limited than the income of corporate officers. It is only through small joint contributions of many individual employes associated together in a labor organization that the rights of the individuals to make contributions can have any practical meaning.

NEW YEAR'S MESSAGE

By LOUIS SCHWELLENBACH
Secretary of Labor

The most important domestic task facing the United States in 1948, as far as can be foreseen at this time, is to take the steps necessary to stabilize our economy at high levels of employment and production, and, thus, insure a continued and more widespread prosperity.

The wage earners of our country and the labor movement of which more than 15 million workers are now a part have contributed greatly to the conditions which in June 1947 made possible the achievement of the "impossible"—60 million jobs.

Both the productive labors and the constructive programs of the nation's workers helped bridge the gap from war to peace so rapidly and smoothly that by the beginning of last year most of the problems of physical reconversion were safely out of the way.

Labor's "second round" wage demands were moderate, equitable and based on the need to offset the loss in real wages which the workers suffered following the lifting of price controls starting in June 1947. New contracts were negotiated with a substantial drop in lost time from strikes as compared with the year before.

Employment, civilian production, profits and weekly earnings were the highest in history during 1947. Nevertheless, the inflationary rise in the cost of living canceled out wage increases to the extent that there was little if any gain in real wages or living standards for millions of workers. On the contrary, those in the lowest income brackets and on relatively fixed incomes actually lost ground so far as their standard of living was concerned.

In order to check this erosive process, which endangers not only the welfare of individual workers, but also the security of our whole economy, we must bring about a more equitable balance between wages and prices.

Workers, organized and unorganized, I am sure, would rather have their real wages increased by means of lowered living costs rather than have a money increase that soon will be wiped out by higher prices. The best solution to the problem of inflationary prices is, in my opinion, legislation giving the President authority on an emergency basis to exert control where prices continue to rise and goods remain scarce and in short supply despite every effort to increase their production.

It is evident that we can have no real price competition under these conditions, and that until there is real price competition the prices of items in short supply—or of items whose prices are fixed by monopolistic practices—will not become less by themselves.

While we must continue to think in terms of an economy of plenty as opposed to an economy of scarcity, that alone is not enough. Prices and excessive profits must come down, real price competition be restored and real wages increased for many if we are to have permanent prosperity and economic security for all.

I am confident that we can keep our economy in this country strong and, at the same time free. We are not endangering the freedom of our economy, but rather strengthening it, when we make emergency or other necessary rules for economic conduct that will protect the general welfare through the democratic processes of responsible, representative government.

Labor can be expected during 1948 to continue its constructive and progressive influence on our way of life. Free unions have been and will continue to be one of the symbols and living expressions of democracy. Free collective bargaining must be strengthened and improved if we are to have a truly free, competitive economy in this country.

Free Trade Unions In 16 Nations Will Take Part In Lima Labor Conference

Washington, D. C.—Advance reports of forthcoming participation in the conference to be held in Lima, Peru, on January 10 indicate wholehearted support for the proposed formation of a new international federation of free trade unions in the Western Hemisphere.

A total of 16 nations has thus far made know its intentions to send a delegation to the conference. Others are considering the invitation and will undoubtedly send labor representatives to participate.

Included among the free trade union groups to announce their active participation are those in the United States, Puerto Rico, Haiti, Brazil, Uruguay, Bolivia, Chile, Panama, Costa Rica, El Salvador, Mexico, Cuba, Ecuador, Guatemala, Argentina, and Peru.

The delegation from the United States consists of James Duffy, president of the AFL's National Brotherhood of Operative Potters; Frank Lloyd, substituting for Patrick E. Gorman, secretary-treasurer of the Amalgamated Meat Cutters Union; Phil Hannah, secretary-treasurer of the Ohio State Federation of Labor and former Assistant Secretary of Labor; Bert Jewell of the Railway Labor Executives Association; and Roy Brown of the International Association of Machinists.

The United States delegation will meet in Washington prior to their departure for Lima to consider a number of resolutions which it intends to present to the conference for consideration and approval. It is expected that among these resolutions, the U. S. delegation will ask for pronouncements in favor of the International Bill of Rights now being drafted by the Economic and Social Council of the United Nations; in favor of absolute freedom of organizations; in favor of independence for every country of the Western Hemisphere now in the status of a dependent territory or colony; in support of the inter-American system of defense and cooperation; and against any form of slave labor.

Harrison Warns of Hardship Abroad, At Home, Unless Nation Curbs Inflation

Buffalo.—George M. Harrison, president of the AFL's Brotherhood of Railway Clerks, declared there will be suffering at home and abroad unless the nation acts to curb alarming inflationary trends.

Mr. Harrison sounded his warning in an address prepared for delivery before the Central Railway Club here.

He strongly urged enactment by Congress of the Marshall Plan for the economic recovery of western Europe, thus joining the host of AFL leaders who have taken similar action following endorsement of the aid plan by the AFL convention last October. He said:

"It is to the self-interest of every American that the reconstruction of devastated and war-torn Europe be successfully accomplished. We cannot refuse assistance unless we desert every principle we cherish.

"The cost to the American people in bolstering the free and democratic governments in western Europe by saving their peoples from starvation is small compared to the alternative of an unaided Europe falling under 'Red Fascism' and with the ugly possibility of another world war."

He stressed, however, that the Marshall Plan "will increase pressure at home on already too high prices and short supplies of foods and some materials." To ship overseas the amounts called for by the plan "means serious inflation and speculation in many commodities unless strong safeguards and restraints are imposed quickly," he said.

"The cost of living has risen 23 percent since the middle of 1946," Harrison pointed out. "The price of food has gone up 40 percent. The upward trend shows no signs of slowing down.

"More critical shortages of food and other commodities next year in the United States are almost certain, with the inevitable result that prices will be forced up still further and faster.

"Free operation of the law of supply and demand will mean that those who can afford it will get what there is, while those who cannot, will get little or none."

As a solution, measures must be "taken promptly to curb speculation, hold prices from rising and direct the flow of scarce goods to the most necessary domestic and foreign uses," Harrison insisted. Such measures, he said, will insure success of the Marshall Plan, as well as "security and prosperity" at home.

Bargaining In Good Faith Promotes Industrial Peace, AFL Survey Shows

St. Louis.—The AFL's Central Trades and Labor Council here released a report which emphasizes the fact that collective bargaining in good faith promotes industrial peace.

The council selected the 12-month period from August, 1946, to August, 1947 (just prior to the effective date of the Taft-Hartley law) for its analysis.

It showed that in plants under agreement with the AFL unions, labor relations during the year were "99.49 percent perfect." In other words, for each 100 man days on the job, only 51/100 of 1 percent was lost through strikes.

"Our survey disclosed that union-employer relations in this area are getting better right along," declared John I. Rollings, executive secretary of the council.

A significant factor in the industrial peace record, Rollings said, is that most of the plants are functioning under some form of "union security" agreement.

The council's breakdown showed that 40 percent of the agreements call for "closed shops"; 56.9 percent for the "union shop"; 1.66 percent for "maintenance of membership," and a mere 1.37 percent for "recognition only" without any union membership requirements.

Whether such a record can be maintained during the next 12 months hinges, Rollings added, on how much havoc will be caused by the Taft-Hartley law's ban on the "closed shop" and its curbs on the "union shop."

New Construction In 1947 Jumps 30%; Cost Put In Excess of $12,800,000,000

Washington, D. C.—New construction in the United States increased 30 percent during 1947 and cost in excess of $12,800,000,000, the Department of Commerce estimated.

The level of new construction in the last two months of 1947 gave general support, according to the department, to the estimates for 1948 announced in mid-November. These figures, a joint estimate of the Department of Commerce and the Department of Labor, indicated that the total new construction in 1948 probably would reach $15,000,000,000, or an 18 percent gain over the total for 1947.

New private construction in 1947, estimated at $9,878,000,000, showed a rise of 28 percent in comparison with the corresponding figure for 1946. Privately financed public utility construction in 1947 totaled $1,308,000,000, a gain of 53 percent over 1946.

The increase in public construction was somewhat sharper than for private construction as a whole. New public construction was 40 percent above the 1946 figures and cost $3,000,000,000.

However, public residential building was estimated at $175,000,000, or 55 percent below the previous year, while public nonresidential building cost $517,000,000 and was 62 percent higher than in 1946.

Public highway construction in 1947 amounted to $1,214,000,000, according to the department, and was 72 percent above similar construction in 1946. New conservation and development construction in 1947 was estimated at $381,000,000, or 59 percent more than in the previous year.

The department emphasized that the estimate for 1948 assumes that construction costs in that year will average somewhat higher than in 1947. Because of the steady increase in costs during 1947, the Department of Commerce composite construction cost index for October, the latest available month, was 5 percent above the average for the first 10 months of the year.

AFGE PLANS RADIO TALKS DURING 'CIVIL SERVICE WEEK'

Washington, D. C.—The American Federation of Government Employes will take to the air during the celebration of Civil Service Week, January 11-17, to tell the public the story of the merit system.

James B. Burns, president of the AFGE, will speak over the Mutual network at 11:15 p.m. on January 16 and January 11, Berniece Heffner, secretary-treasurer, will appear on the program "Labor News Review," conducted by Albert N. Dennis, which is heard over Columbia Broadcasting System stations.

The speakers will emphasize the importance of unions in making the merit system function, and in building up an efficient body of civil servants.

FHA INSURED MORTGAGES TOTAL NEARLY $4 BILLION

Washington, D. C.—The value of small home mortgages insured by the Federal Housing Administration as of June 30 was nearly $4 billion, the FHA announced.

More than 70 percent of these mortgages which cover houses for 1 to 4 families were insured under the regular provisions of the National Housing Act although the proportion insured under the war and veterans emergency housing provisions increased steadily.

The mortgages are held by more than 8,700 private financial institutions throughout the nation.

WORLD UNEMPLOYMENT DOWN IN '47, SAYS ILO

Montreal, Canada.—Unemployment throughout the world during the latter half of 1947 fell below the levels of the corresponding period in 1946, the International Labor Office reported.

A survey made by the ILO of unemployment and employment statistics of 28 countries showed that employment indexes for all industry and manufacturing industry reached higher levels in all countries except Sweden and Palestine.

The ILO survey showed 16 countries reporting decreased numbers of unemployed, with 7 nations reporting slight increases in the number of jobless workers. These 7 are: Italy, Palestine, Hungary, Finland, Chile, Puerto Rico and Denmark.

EDUCATIONAL PROGRAMS STARTED IN CALFORNIA

San Francisco.—The California State Federation of Labor reported that, as a result of the collaboration between unions and the University of California, educational programs for labor are being developed in San Francisco, Los Angeles, and San Diego.

In Oakland, where the program has been under way for several weeks, gratifying results are reported.

The educational programs are directed by professionally qualified experts in the various fields, including labor law, contract negotiation, workmen's compensation, unemployment, and other subjects of vital interest to labor.

GENERAL ELECTRIC CO. CUTS PRICES BY 5%

New York City.—The action of one of America's industrial giants in announcing a price cut on many of its products gave workers a faint ray of hope that others would follow suit. Observers, however, saw no real indications of any reversal of the price trend.

The General Electric Co. announced an average price reduction of 5 percent on a wide range of its products, effective January 1. The reductions will save consumers an estimated 50 million dollars in 1948, the company said.

Charles E. Wilson, president, stressed that the reductions were in the hope that it will help reverse the inflationary spiral and inspire other companies to make reductions, too. However, officials of Ford Motor, General Motors and Chrysler Corp., at Detroit, predicted the auto industry would not cut prices.

The price reductions, ranging from 3 to 10 percent, affect such electrical appliances as refrigerators, electric ranges, and home radio and television receivers.

Clague, BLS Chief, Reviews '47 Labor Developments

Washington, D. C.—The year 1947 saw little gain in real wages or living standards for American workers, according to a review of the past year by Ewan Clague, U. S. Commissioner of Labor Statistics.

This has greater significance in view of the fact that more workers were employed in civilian occupations than ever before with industrial production at record levels.

Mr. Clague reported that higher wages were offset by price increases in an economic situation characterized by heavy demand, both domestic and foreign.

On the price front, Mr. Clague said that consumer prices were up 7.6 percent through the month of November while primary market prices rose 15 percent during the entire year. Looking to the future, he declared there was little indication of any cessation in the upward movement of prices.

"As 1947 came to an end," Clague asserted, "the problem threatening the high levels of employment, production, and income that had been achieved following the reconversion period."

Turning to a discussion of productivity of the nation's industrial machine, the BLS chief said:

"Data are not yet available to show productivity trends in any detail in American industry during 1947. The information that is available, however, indicates with a reasonable degree of certainty that productivity has resumed the gradual and steady upward movement typical in the American economy.

"In 1947 conditions were again favorable for a gain in productivity. Plant modernization had gone forward rapidly over a period of 24 months. The flow of materials was less erratic. Workers and supervisors acquired a new stock of skill and experience as production and employment continued relatively stable at high levels of operations.

RURAL POWER USERS HIT RECORD NUMBER IN '47

Washington, D. C.—Connections of farms and other rural establishments by REA-financed rural power systems and consumption of electricity by the people they serve reached all-time highs in 1947, the U. S. Department of Agriculture announced.

During 1947, REA borrowers brought central station electric service to 346,000 farms and other rural establishments. This is 71,000 more consumers than they added to their systems in the previous peak year of 1946, when they connected 274,983.

REA borrowers include 947 rural electric cooperatives, 41 public power districts, 20 other public bodies and 21 private power companies. At the close of the year, they were operating an estimated 594,000 miles of lines serving approximately 2,030,000 rural consumers.

AFL RETAIL CLERKS UNION REPORTS MEMBERSHIP UP

Lafayette, Ind.—The AFL's Retail Clerks International Union reported great strides have been made in unionizing the nation's "white collar" employes.

Membership gains during the past year were estimated at about 40,000, bringing the union's rolls close to the 200,000 mark, an all-time peak. The union won an exceptionally large number of elections at big department stores in major cities of the nation, Secretary-Treasurer James A. Suffridge declared.

Further, wage rates of store clerks, once notoriously low, have been greatly increased as a result of the union's activities and today its members "enjoy the best working conditions and highest wages in their history." Suffridge said.

AFL Urges Stronger Rules Governing Employes Exempt From Wage-Hour Law

Washington, D. C.—The American Federation of Labor hit at the practice used by some employers of dodging the requirements of the Wage-Hour law by giving employes fancy titles, thereby placing them in the group exempt from the law's coverage.

At hearings conducted by the Wage-Hour Division of the Labor Department, Boris Shishkin, AFL economist, urged tightening up of the division's administrative regulation to eliminate loopholes which make it possible for employers to "chisel" their employes out of decent wages and overtime pay.

Present regulations require that no one can be classified as an "executive" unless he receives a salary of at least $30 a week, and in the case of administrative and professional employes, of at least $200 a month. These classifications of employes are exempt from the overtime provisions of the law.

In calling for revision of the regulations, Shishkin hit at proposals advanced by employer representatives which would serve to water down these regulations. He said:

"Congress did not intend that employes be deprived of the benefits of the Wage-Hour Act merely by having high-sounding titles conferred upon them."

Insofar as the salary test is concerned, Shishkin insisted that no one earning less than $400 a month should be denied protection of the act, even though classified ostensibly as an "executive," "administrator" or professional person.

Such a change is imperative to square the administration of the law with reality," he said.

Shishkin proposed various other modifications to prevent evasion. For example, he recommended that only "executives" who really "participate in the formulation of policy" should be exempted from the law.

"An executive who is not accorded this responsibility is only a messenger boy carrying out orders of his superiors," he declared.

Also, Shishkin strongly opposed another scheme put forward by some industrialists to have the Taft-Hartley Act's definition of "supervisor" replace the Wage-Hour Act's classification of "bona fide executive."

The result, Shishkin made it clear, would be to strip even the lowliest of "straw bosses" of extra pay for overtime after 40 hours.

"Such substitution would be contrary to the intent of Congress and to the express language of the Wage-Hour Act," he asserted.

New Logging Industry Child Labor Hazardous Occupations Order Issued

Washington, D. C.—Effective February 2, 1948, most occupations in the logging of pulpwood will be included among the saw-timber logging and sawmilling jobs for which an 18-year minimum age requirement is established for employment under the Fair Labor Standards Act.

This was announced by Secretary of Labor L. B. Schwellenbach following his approval of a revision of Hazardous Occupations Order No. 4. Adopted in 1941, this order raised from 16 to 18 years the applicable minimum age for employment in most saw-timber logging and sawmilling operations covered by the Wage and Hour Law because they were found to be particularly hazardous for minors.

Inclusion in the order of occupations in the logging of pulpwood, chemical wood, excelsior wood, cordwood, fence posts, and similar woods was proposed by the Secretary following investigation and study of the industries by the Child Labor Branch of the Wage and Hour and Public Contracts Divisions. The Secretary took final action after a public hearing on the extension proposal. Effective date of the revised order is set for February 2 to enable the industries to adjust to its terms.

As the revised Order No. 4 now stands, all occupations in logging and all occupations in sawmills, lath mills, shingle mills, or cooperage-stock mills are subject to the 18-year age minimum, with a few occupations specially excepted. Occupations excepted, in which it is permissible to employ 16- and 17-year-old minors, are limited to a few occupations removed away from the sowmill proper and away from the place where felling, bucking, skidding, yarding, and loading occupations are performed.

Employers are advised to obtain age certificates for all minors claiming to be 18 or 19 years of age before employing them in any of the nonexempt occupations. Through cooperative arrangements made with state agencies, employment and age certificates issued by those agencies are accepted by the Labor Department as proof of age under the Wage and Hour law.

Nonagricultural Employment Hits New Peak of 43,450,000 In November

Washington, D. C.—Employment in nonagricultural establishments hit a new high of 43,450,000 in mid-November, the Bureau of Labor Statistics estimated on the basis of preliminary figures.

The BLS said that the new level of nonfarm employment was 1,000,000 above that recorded for November of 1946. Of this gain during the year, more than half took place in the manufacturing industries, with the remainder distributed among construction, trade and service activities.

Seasonal declines in construction, transportation, and government payrolls partially offset the 200,000 increases in workers in the pre-Christmas wholesale and retail trade upswing reducing the net gain for the month to about 150,000.

Despite seasonal reductions in a few industries, employment in manufacturing as a whole rose slightly to a peacetime record of 15,850,000. Gains occurred in the durable goods industries, reflecting additional orders, greater availability of materials, and the termination of the strike in east coast shipyards. Small increases were reported by most of the iron and steel fabricating industries, as well as by blast furnaces, steel works, and rolling mills. Continued heavy demands resulted in slight gains in many of the machinery industries, although machine tool and accessories establishments reported further declines.

Easing material supplies permitted some expansion in locomotive and carbuilding shops. Automobile employment edged off, however, due to steel shortages and model changeovers.

A large seasonal drop in canning and preserving, partially offset by a further rise in textile manufactures, reduced employment in the soft-goods division during the month. Paced by cotton goods, most of the textile industries expanded their operations. The apparel group failed to follow suit, however, as seasonal layoffs in the women's clothing industries more than counterbalanced further gains in men's apparel establishments.

With the reduction of shipping on the Great Lakes and a seasonal contraction of railroad activities, employment in the transportation industries continued the decline of past few months. Public utilities, finance, and service reported slight increases during the month.

AFL UNIONS WIN PAY INCREASES FROM TVA

Knoxville, Tenn.—Members of AFL unions will benefit from the 10.5 percent wage increase authorized by the board of directors of the Tennessee Valley Authority for 10,000 construction, maintenance, and operating employes.

The raises, ranging up to 20 cents an hour, were negotiated in annual wage conferences between the AFL's Tennessee Valley Trades and Labor Council and the TVA management. The negotiations were carried on in an atmosphere of friendliness and cooperation throughout.

AFL'S TEAMSTERS UNION REPORTS MEMBERSHIP UP

Indianapolis.—The Brotherhood of Teamsters reported a record-breaking membership of 1,062,000. Daniel J. Tobin, president, said in the January issue of The International Teamster that the union had signed 75,000 to 100,000 new members since the Taft-Hartley law "aroused the workers."

FARMERS' INCOME UP; $18 BILLION NET IN 1947

Washington, D. C.—The nation's farmers earned about $30,800,000,000 in cash this year, the Agriculture Department reported.

Receipts from farm products were estimated at $30,000,000,000, or 19 percent more than last year. Government payments, largely for carrying out soil conservation practices, totaled about $340,000,000, a reduction of about 60 percent from last year, when subsidies were paid to encourage production of dairy products, beef cattle, sheep and lambs.

Farmers' gross income was estimated at $34,600,000,000, or about 20 percent above last year. Gross income includes cash receipts and the value of farm products consumed on the farm and the rental value of farm dwellings.

Production expenses were estimated at about $16,600,000,000. Deducting expenses from gross income, farmers realized a net income of about $18,000,000,000, or about 20 percent more than last year.